today's most commonly used fluorescent lamp costs only 13 percent more while producing 41 percent more light output than a decade ago—and lasts much longer. In the home appliance field generally, we are selling at approximately 1953 prices, but with a dazzling array of improvements in product design, performance, durability, appearance—in short, a whole lot more for the customer's money. CHART 9

Efficiency means a great deal to our electric utility customers. Over the years General Electric people have produced increasingly efficient steam turbine-generators. The latest Federal Power Commission report finds that 8 of the nation's 10 most efficient power plants are equipped with General Electric turbine-generators, helping the utilities to produce abundant, low-cost electricity. CHART 10

Better Values in Defense

The Government is a good customer that wants value. The Air Force recently presented to a Congressional Committee a sampling of 70 instances where contractors had effected significant cost reductions. Of these 70, twelve involved the General Electric Company—a good indication of how General Electric people are saving the taxpayers' money through better values. CHART 11

Innovation is a key element in putting the accent on not only today's but tomorrow's values. General Electric's heritage of leadership in research will continue to be applied to product innovation. In exploring new sources of power, we have developed this new fuel cell for the Army Quartermaster Corps. CHART 12

In the development of a new computer, technical resources from some 14 different Company locations, including 4 major Company laboratories, were marshalled and brought to bear on meeting the customer's needs. In many exciting growth areas in which General Electric is competing, the key to success is capability for innovation. We shall strive to excel in these fields.

To stay ahead in its long-established businesses, your Company must continue resourceful exploration and pioneering. The picture on the cover of the 1961 Annual Report, as an example, showed man-made lightning tests of an experimental high-voltage transmission system at our research facilities in Pittsfield, Massachusetts. This kind of continuing exploration and pioneering is an important part in assuring the Accent on tomorrow's Values.

In the field of atomic power, General Electric's exploration and pioneering is out front. One of our important utility customers, the Pacific Gas and Electric Company, last month unveiled their cost estimates for the new Bodega Bay atomic power plant, for which General Electric supplies the nuclear system and fuel. The news: for the first time, this customer says, a nuclear plant will produce power more economically than a conventionally fuelled plant in that California area. The achievement has been hailed as "a historic breakthrough for the United States and the world."

Outstanding values like these—values for customers—are the basic reason why General Electric is on the march again. And such values do not "just happen." Value starts in the hearts and minds of dedicated people. This has always been true in the General Electric Company, because it has been blessed since its beginnings with talented and dedicated people, many of whom are with us today as share owners or retired employees. Today's employees are equally talented and dedicated, and they are primarily responsible for the recent upsurge in sales and earnings.

We are determined to keep up our momentum—and that is the purpose of Accent on Value. We will not be satisfied with the status quo in General Electric.

Product-by-product, service-by-service, every employee of General Electric will be taking a long, hard look at these values derived from his work—to see how these values can be improved and intensified. Our research people, our production people, our clerks and secretaries and telephone operators, our salesmen, our managers, our engineers and draftsmen, our lawyers and advertising writers, our employee relations people and repair service men—literally everybody on the payroll will be urged to make his own work more effective and more valuable, under this common banner, Accent on Value.

How Share Owners Can Help

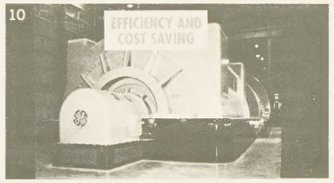
In this, you, as share owners, can be very helpful. The very nature of this Accent on Value program is that it must cut across the Company, must involve the active participation of everyone associated with it. You can help in two ways:

1. Buy General Electric products and thus support your investment through the purchase and use of General Electric products and services; and,

2. Boost General Electric, by spreading our value story among your neighbors and friends and in your own businesses—indeed to all present and potential friends and customers.

With this approach—the Accent on Value—General Electric is determined to grow, strengthening its long-established businesses, developing new businesses, generating new markets, and meeting the challenges of lively competition at home and abroad. It should be an exciting and challenging time for everyone associated with General Electric.

Share owners' interest in President's talk is caught by candid camera.



DISCUSSION WITH SHARE OWNERS

- Two discussion periods provided to enable share owners to participate
- 18 owners present questions and comments
- Share owners debate best use of discussion periods

General Electric's Directors and managers have sought to provide ample opportunity for share owner discussion at the Company's annual meeting. The Company's views on the annual meeting were summarized in an earlier message to share owners by the Chairman:

"The Annual Meeting provides a common ground on which share owners, their Directors, and managers can achieve a greater integration of objectives and a renewed unity of purpose in the future progress of General Electric. The meeting brings these major groups into a closeness of contact that is realizable on no other occasion. Directors and management derive guidance from the share owners—not only in the form of their explicit comments and questions, but also in the implicit attitude and spirit of those present."

Acting on these beliefs, the Company has taken special efforts to make the meeting attractive to great numbers of share owners and to facilitate a full and free discussion. As an example, the 1962 meeting was begun an hour earlier than previous Schenectady meetings in order to allow time both for a full discussion with share owners and for full participation by share owners in the special events scheduled for the afternoon. Also, two separate discussion periods were scheduled: first, a period for discussion of matters to be voted on at the meeting; and second, a time for discussion of subjects of more general interest.

Share owners themselves debated the results of the discussion periods at the 1962 meeting.

Two share owners, representing the same organization, used the discussion periods to present their viewpoints in repeated appearances and time-consuming presentations. As noted on page 3 of this Report, these two share owners made a total of 12 appearances at the microphone and consumed approximately two-thirds of the time spent on share owner discussion.

Many share owners indicated their agreement with the analysis of a new trend in share owner meetings reported by the Wall Street Journal, whereby share owners are "tired of listening to microphone-hogging 'professional' shareholders." Newspaper accounts of the Company's 1962 meeting, describing the nine appearances at the microphone by Mrs. Wilma Soss, noted that "as the meeting proceeded, stockholders groaned audibly when Mrs. Soss approached the microphone" (Wall Street Journal) and commented on her persistence in "ignoring the audience's frequent bursts of applause for the GE board chairman" (The Berkshire Eagle). The Chairman asked that all in attendance "show the utmost courtesy to all share owners, even though we may not necessarily agree with what they are saying."

Two share owners came forward to the microphone to make recommendations of what they thought should be done. Alfred F. Cadger suggested that "whoever gets up here to speak again, their time limit should be five minutes or less." Charles L. Pilger commented: "I respectfully request the Directors to limit the speakers here to not more than two appearances in any one meeting. If they can't marshal their facts in that length of time they should wait until next year." Share owners applauded both these recommendations.

A thoughtful summary was given by Share Owner Charles P. Shirrell of Schenectady in a letter addressed to the Company on April 30, 1962:

"It is evident that the company policy is motivated on a democratic approach when inviting members present to use the microphone and loud speaker system in expressing their views or offering suggestions. It was also evident this opportunity has a greater appeal to some individuals who . . . are reluctant to be reasonable in its use. A continued misuse of this privilege may cause a falling off in the interest and attendance at these meetings."

Thus thoughtful share owners, their Directors and managers have much to consider in their efforts to develop future meetings that will be truly in the best interests of the many share owners rather than the few.

In view of the length of the 1962 discussion period, only a brief summary of the points of more general interest can be included in this Report. In opening the discussion periods Mr. Cordiner expressed the hope for "a more balanced discussion" at the 1962 meeting since the antitrust cases which occupied so much of the 1961 meeting "have already been much discussed and the share owners have already received extensive reports on this one subject." These cases were not a major element in the 1962 discussion.

In the first of her nine appearances, Mrs. Soss offered a number of suggestions, which the Chairman assured her would be considered. She also proposed that the Board elect a woman as Director.

Mr. Cordiner affirmed that the Board's members have "a distinctly open mind on this question," adding "I am certain, though, that you would be one of the first to agree . . . that we should not have a woman

continued on next page

After the meeting: box lunch...a chance to visit...music by pensioners' orchestra

Picnic lunch brings smiles to officers of Junior Achievement organizations, present as guests at the annual meeting.

Visit with Directors is enjoyed mutually by Directors Stevens and Dickey and by Share Owner Mrs. M. DeWar Winne.

Lunchtime concert is provided by orchestra whose members are all General Electric pensioners from the Pittsfield, Massachusetts area.

on the General Electric Board just because she is a woman."

Louis A. Brusati, of Chicago, asked how the selection of the new Directors from outside the Company was made—had these men approached the Company to be made Directors?

Mr. Cordiner: "The answer to that question is 'No.' " He explained that when a vacancy occurs between annual meetings, the Board has authority, as provided in the by-laws, to search out qualified individuals to serve as Board members. The Board then authorizes the Chairman to approach these individuals and ascertain whether they are willing to serve.

Carter Davidson, president of Union College, came forward "to endorse, on behalf of all the colleges and universities in the country, the inclusion of two university presidents upon your Board." He added: "We of the colleges and universities of America feel very strongly that our future lies largely in the success of America's industry, and the success of the General Electric Company is very dear to the hearts of the colleges and universities of this country. Not only are we among your leading stockholders, since many millions of shares of General Electric are held in the portfolios of the colleges and universities of the country, but also General Electric, I believe, is one of three top shares in number held by American colleges and universities. We are dependent upon your earnings and upon the earnings of American industry for our ability to carry out our educational programs in the service of American youth."

Three other share owners joined Dr. Davidson in endorsing the election of college presidents as Directors.

Further questions on the election of Directors covered the material in the 1962 Proxy Statement summarizing Transactions with Directors and Others. The first speaker suggested that in order to secure Board members who are "representatives of the public interest" the Board should elect only the type of individual who has no transaction whatever with the Company —"one who is not beholden in any way to us."

Mr. Cordiner: "None of these gentlemen is beholden to the General Electric Company. There isn't enough business or enough money that we could give these gentlemen to reward them for the dedicated service that they give to the Company."

The Chairman explained further that while a company as large and diversified as General Electric does, in connection with its vital business needs, buy from firms with which some of the Directors are associated, the two instances cited in the 1962 Proxy Statement are the only ones felt to be of a type to be reported to the share owners. Mr. Cordiner said that in each of these instances there were distinct advantages to General Electric to be considered in the business decisions.

This same share owner inquired concerning sales of the Company's stock during the past twelve months by Mr. Cordiner, Mr. Phillippe and other officers of the Company. Mr. Cordiner answered for himself that he had sold none during this period. He refused, on principle, to "cross-examine the officers on that subject." The pertinent data on these transactions are reported regularly to the Securities and Exchange Commission, Mr. Cordiner added, and are therefore available as public information.

Subsequent discussion centered on the share owner proposal included in the 1962 Proxy Statement: a proposal that the Board provide for a method of secret voting by the share owners. Mrs. Soss and her associate, Mrs. Beatrice Kelekian, co-sponsors of the proposal, appeared jointly to present it to the meeting and to restate their reasons in support of it, as printed in the Proxy Statement. Mrs. Soss questioned whether there was, among the Board's members, "any minority opinion" to the Proxy's recommendation for a vote against the proposal.

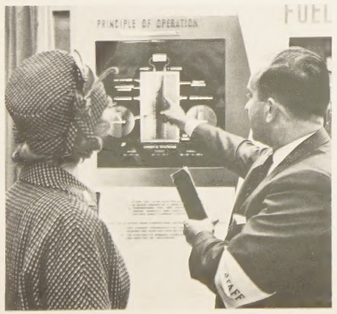
Mr. Cordiner: "There was none." He pointed out that the Executive Committee of the Board and the Board as a whole had considered the Proxy Statement's text and noted that "in the opinion of the Board the proposed method of voting is not justified by the facts. It would serve no useful purpose and would cause delays and added expense."

The two speakers cited at length several examples and quotations in support of their proposals. Subsequently, two representatives of labor unions added their endorsement to the proposal.

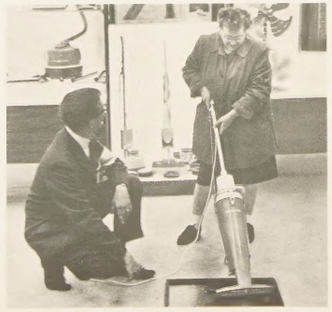
In rebuttal, Share Owner Neil Campbell questioned "the supposition that 400,000 stockholders can be in-

Hall of Values dramatizes progress for General Electric customers...

Two areas of development by General Electric scientists and engineers reflected in Hall of Values exhibits: above—model of pilot plant for conversion of salt water to fresh; below—work on fuel cells for direct conversion of chemical energy to electricity.



New products for the home displayed to share owners included a complete kitchen installed by the Hotpoint Division (above) and a variety of electrical housewares. Below: share owner tries out electric floor sweeper from General Electric.



How good values in the past have contributed to the Company's "strong basic economic health"

A new effort to strengthen the Company by putting even greater "Accent on Value"

Examples of current values offered by General Electric men and women

Accent on VALUE

ico, Argentina and Saudi Arabia. Only this year, the Canadian Company acquired ownership of facilities near Montreal for manufacturing such products as hydraulic turbines and industrial equipment.

Continuing investment in productive new facilities, in high levels of research and development, in overseas business—these are further indications of the strong basic economic health of your Company, backing up the heartening upsurge of the sales and earnings figures.

Now, how do we account for this favorable performance?

Many reasons could be cited. Market conditions generally improved in the latter half of 1961, particularly in the consumer goods and defense fields that are so important to General Electric. A Company-wide drive for better management of costs is continuing to have its cumulative effect. The Company's historically high level of research and developmental engineering is paying off in terms of new products and services. Additional improvements have been made in the organization of our sales efforts which are proving to be more effective in meeting our customers' requirements.

Best Values Ever

But the basic reason why customers bought more General Electric products and services last year than ever before is simply this: that the Company is now offering its customers the greatest array of values, across the board, in General Electric history.

The business world today is extremely competitive. In general, productive capacity exceeds total demand. Competition from low-cost producers overseas is making greater inroads in United States and world markets. Customers have many choices and alternatives open to them. In this highly competitive situation, the key to business success is to offer customers the finest values—all things considered—that they can obtain anywhere. This, I firmly believe, can be American industry's answer to the challenge of foreign competition and world-wide markets. It is certainly going to be General Electric's main line of advance in the period ahead.

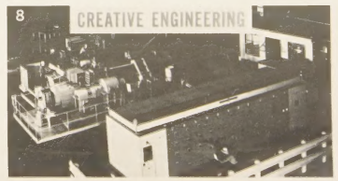
Yesterday, we had a meeting here in Schenectady of representatives from all the departments and business components of the Company. Our purpose was to energize a Company-wide effort, by all departments and all employees, to put an even greater Accent on Value. This will be the symbol, throughout the Company, of our renewed determination to give every customer—the housewife, the industrial customer, the electric utility, the government purchasing agent—every customer of the General Electric Company the very best values, in every way, that he can obtain anywhere.

What do we mean by an Accent on Value?

When we speak of outstanding values, we are speaking of all the values that customers look for—product quality, reliability, innovations, quick and courteous service, and many other elements of worth that add up to outstanding values.

But we are also speaking of all the values that can be contributed to the Company's performance and profitability by each and every employee. Not just the salesman, but the design engineer, the man in the factory, the secretary, the accountant, the research scientist, the maintenance man—all our people can help General Electric by striving to put an Accent on greater Value in their own work. This is the route to better job security for our employees, as well as better earnings for our share owners.

The Accent on Value extends even beyond General Electric to include many other businesses associated with us—such as agents, dealers, distributors, and suppliers. By providing even better values, they can help to build their own businesses as well as General Electric's. Perhaps the real meaning of the Accent on Value can best be explained by showing you some of the distinctive values that are already being offered by General Electric. From these examples, you can see where the efforts of General Electric people will be concentrated in the period ahead, as we all try to do an even better job of attracting and satisfying customers.



Value means quality control. These television sets receive literally hundreds of separate checks and inspections before they are allowed to leave the factory. CHART 5

Our manufacturing and engineering people intend to see to it that General Electric's established reputation for peak quality is maintained and strengthened in all lines. We want to set higher standards of excellence than we have ever strived for—and then live up to those standards.

Values in Improved Service

Service after the sale is increasingly important to all kinds of customers. General Electric stands behind every product it makes and is, therefore, working hard to earn a reputation for outstanding service after the sale. Many of you may have visited this widely-known new service center in Grand Central Terminal in New York. CHART 6

This is just one of hundreds of service shops all over the country, not only for consumers, but for apparatus, motor, meter, and many other customers.

Advanced design is one value customers look for. Take a basic consumer appliance like the new General Electric Spacemaker refrigerator. In the past few years, a continuing flow of major advances in design have gone into this product, including 88 percent larger capacity inside with no increase in outside dimensions, all-steel cabinet construction, super-size zero-degree freezer units, automatic defrost, magnetic safety door.

On-time delivery is a major requirement of many of our customers. The operation of an industrial customer's new plant, for example, may depend entirely on delivery of a new piece of General Electric equipment. Each day lost means substantial costs to this customer. A high record of meeting factory promises becomes all-important in this kind of a business. We will be trying to place increased urgency on peak performance in delivery. CHART 7

Creative engineering has been a hallmark of the General Electric Company since its founding. A modern illustration is the complex field of industrial automation systems. This new integrated system for control of steel rolling and processing lines is a great improvement over earlier systems, cutting space requirements, start-up time and thousands of dollars in installed costs. CHART 8

Better value is clearly not a function of price alone. You as a customer want more for your money—and you're getting it from General Electric. For example,

continued on next page

Hall of Values exhibiting product values from over 60 different departments of the Company is visited by President Phillippe.

A LOOK AT GENERAL ELECTRIC VALUES by Gerald L. Phillippe

Full text of the President's report to the share owners

After so many years as a resident of Schenectady, it is always a happy experience for me to come back and renew old friendships among share owners, employees, and others in the area. But today I am sure you can have no idea what a thrill it is not only to see so many old friends but also to greet personally such a good gathering of share owners assembled in one great meeting.

But for every share owner who is here, there are over 100 others who could not be with us, which reminds us of the tremendous number of families that have invested some part of their savings in the General Electric Company. We who are directors and managers of your Company are deeply conscious of our responsibilities to the 450,000 investors who own General Electric.

I would like to report to you, first on your Company's performance, and then on what General Electric is doing to enhance the future value and profitability of your investment.

Best Sales Year

As your Annual Report indicated, the year 1961 was a relatively good one for the General Electric Company, in spite of our highly publicized difficulties back in the beginning of the year. Total sales for 1961 stood at $4 billion, 457 million. This represents the best sales year in Company history, reflecting strengthening markets generally, especially in important consumer and defense fields. Compared with 1960, the 1961 performance represents a 6 percent improvement. As many of you who attended last year's meeting will recall, our 1960 sales level was not very satisfactory, though that fact was partly explained by the impact of the strike in the fourth quarter. From this standpoint, the 6 percent pickup in sales is encouraging. And, as Mr. Cordiner has already noted, the sales picture has continued to look favorable through the first quarter of 1962. CHART 1

Net earnings for 1961 were $242 million. Unlike sales, this figure does not represent a record. The fact that earnings did not set a record in a year when sales did reflects the cost-price squeeze which has apparently become a continuing challenge of the modern business scene. As compared with 1960's relatively unsatisfactory level, however, earnings for 1961 show a rise of 21 percent. CHART 2

Throughout the year, quarter by quarter our profits picture looked increasingly favorable. And the first quarter of 1962 shows earnings running 32 percent ahead of last year's first quarter, which was by far the lowest quarter last year.

I am sure you would be interested in some perspective on how your Company has performed, not only with respect to our own longer-term past but also in comparison with business generally. In the last ten years, using 1952 as an index base year, sales have trended generally up. Much of the big gain came in the middle years of this decade. From 1956 through 1960, annual sales fluctuated within limits of $4.0 billion to just over $4.3 billion. In 1961 we moved ahead of those limits to a new high. How does this ten-year record compare with the performance of business generally? Taking all United States manufacturing and trade corporations, their growth over these years has also steadily advanced. As you can see, your Company has been able to do somewhat better than the general trend. CHART 3

Upsurge in Earnings

However, the time when much of our lead was built up came during the middle years of that decade, while in the 1956-60 period we did not move ahead so fast. Note, nevertheless, that last year's upsurge for us came at a time when, as the figures indicate, the rest of business was not showing much of an increase. Earnings trends, of course, show wider fluctuations. The year 1959 was the peak profit year for General Electric. As I was discussing a moment ago, 1960 was a relatively unsatisfactory profit year. In 1961 the solid comeback and upsurge is apparent. In comparison with all United States corporations, General Electric again shows up well. CHART 4

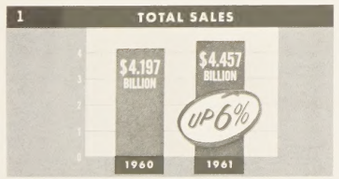
This comparison shows more clearly the sharpness of the 1960 dip, when on this chart we slipped a little below the performance of all corporations in the aggregate. This comparison also dramatizes the strength of our upsurge and momentum of 1961.

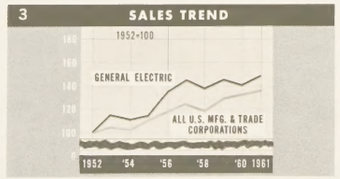
This upsurge in 1961 comes at a time when the Company's prospect for sustained, future growth is being strengthened on a broad front. We have not in any way sought short-range results at the expense of the basic health of the business. For example, your Company's investment in capital facilities has continued heavily.

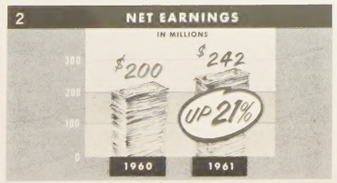
In the past ten years, through the end of 1961, a total of $1,459,000,000 has been invested in land, building, machinery and equipment. This includes expenditures not only for expansion and improvement, and modernization of production facilities, but also for the construction and improvement in laboratory facilities. Our $32 million Space Technology Center at Valley Forge, Pennsylvania, for example, is the largest center owned and operated by private industry for space research and development.

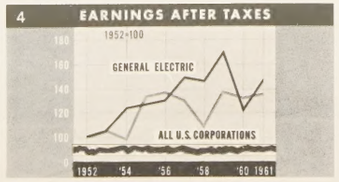
Your Company has also continued its traditional research and engineering leadership—which is essential to continued business progress in all the dynamic industry lines in which we operate. As many of you know, a recent Congressional report totaled up General Electric research and development spending over the decade of the Fifties to the sum of $1.37 billion of Company funds and another $1.5 billion of research and development work for the Government. A high level has been maintained in 1961 and will be continued in 1962—as evidenced by our current programs in nuclear power, flight propulsion, fuel cells, optical masers, water desalting, extra-high-voltage transmission, and many others important to the future. This is an essential aspect of your Company's long-term plans, which has not and will not in any sense be diminished.

Another significant aspect of our 1961 activity was our growing commitment to world-wide competition. In 1961, in the field of electric power apparatus alone, your Company received major orders from India, Mexico, Scott Paper Company, Philadelphia, Pennsylvania.









Reporting as chairman of the Inspectors of Election, Dr. Benjamin P. Whitaker of Union College gives . . .

RESULTS OF BALLOTING

Voted at the meeting were 76,374,561 shares, or 86.1% of the shares entitled to vote.

Sixteen Directors were elected for the coming year. Their names and principal affiliations:

S. Sloan Colt, Director and Member of the Executive Committee, Bankers Trust Company, New York, N.Y.

Ralph J. Cordiner, Chairman of the Board and Director, General Electric Company, New York, N.Y.

Charles D. Dickey, Director and Member of the Executive Committee, Morgan Guaranty Trust Company of New York, New York, N.Y.

Edwin D. Harrison, President, Georgia Institute of Technology, Atlanta, Georgia.

Frederick L. Hovde, President, Purdue University, Lafayette, Indiana.

Gilbert W. Humphrey, Chairman of the Board and Director, The M. A. Hanna Company, Cleveland, Ohio.

Cramer W. LaPierre, Executive Vice President and Director, General Electric Company, New York, N.Y.

John E. Lawrence, Partner, James Lawrence & Co., Boston, Massachusetts.

George H. Love, Chairman of the Board and Director, Consolidation Coal Company, Pittsburgh, Pennsylvania.

Thomas B. McCabe, Chairman of the Board and Director,

Neil H. McElroy, Chairman of the Board and Director, The Procter & Gamble Company, Cincinnati, Ohio.

George G. Montgomery, Chairman of the Board and Director, Kern County Land Company, San Francisco, California.

Henry S. Morgan, Partner, Morgan Stanley & Co., New York, N.Y.

Gerald L. Phillippe, President and Director, General Electric Company, New York, N.Y.

Robert T. Stevens, Chairman of the Board and President, J. P. Stevens & Co., Inc., New York, N.Y.

Walter B. Wriston, Executive Vice President, First National City Bank, New York, N.Y.

The appointment of the firm of Peat, Marwick, Mitchell & Co., as Independent Public Accountants for 1962, was approved. The final tally was 75,752,309 votes in favor (99.5% of the votes cast) and 413,389 votes against.

The share owner proposal relating to the method of voting was rejected, with 73,154,461 shares—98.4% of the total—cast against the proposal, and 1,165,695 shares—or 1.6% of the total—in favor.

timidated or coerced, when these stockholders are spread throughout the United States, and in every state of the Union."

Henry Scott, of Scotia, N. Y., read excerpts from a letter to the press in which he criticized the United States labor laws which "give to labor unions almost unlimited power over this nation's industries, over the Congress of the United States, over the nation's economy, and over the nation itself."

Mrs. M. DeWar Winne, of Northville, N. Y., commented: "Last year, after the unfortunate meeting at Syracuse, which was spoiled for everybody . . . I wrote to Mr. Cordiner, and I said I think we should have a resolution"—a resolution, she made clear, which would impose limits on the frequency and length of appearances by speakers during discussion periods at annual meetings.

Mrs. Soss quoted from correspondence to the Company concerning complaints about consumer products. She alleged that two letters on two different products had not been answered and requested information on what was done regarding the complaints. Company records show that each of the letters was answered within a short time of receipt.

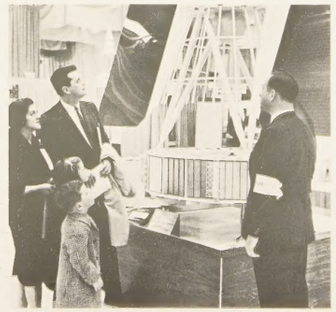
John Sterling, a native of Scotland, presented a quotation learned from his father "and I would like to pay the tribute to Mr. Cordiner: 'A forebearing man is better than a fighting man, and he that controls himself is a conqueror.' "

The meeting was adjourned at 12:50 P. M.

Electronic developments ranged from the classroom to outer space. Above: closed-circuit television equipment for educational TV. Below: prototype of NASA's Nimbus Weather Satellite, under development by Missile and Space Vehicle Department.

Values for industry: share owners listen to guide's explanation of model of boiling water reactor atomic power plant. Below: Mrs. William Bergamini, of Catskill, N. Y., enjoys a rest while hearing about advanced systems developed for industry.

Two kinds of service were among the exhibits of customer values. Above: radio-dispatched truck for speeding service on appliances. Below: Service Shops for utility and industrial customers demonstrate equipment for re-winding electric motors.



...an opportunity for many to attend their first

From Waynesboro, Va., Mrs. Joseph F. Ponzillo arrives early for registration to attend her first annual meeting.

Young share owners Douglas and Scott Wheaton, traveling with their father from Millville, N. J., board bus to begin morning round of tours.

International discussion occupies Mrs. Lydia O'Day, a native of Puerto Rico, with James H. Goss, head of International Group.

Repeated and protracted appearances by two share owners, however, caused much of the discussion by share owners to center on the appropriate use of the share owner discussion periods. Between them these two share owners, who attended as representatives of the same organization:

► consumed one-and-one-quarter hours of the two hours spent on share owner discussion periods—or approximately two-thirds of the total time;

► made a total of 12 appearances at the microphone—compared with a total of 17 for all other share owners;

► brought about the appearances of 7 share owners acting in opposition or rebuttal to their viewpoints;

► extended the business meeting until nearly one o'clock, with the result that share owners requested limiting the time and frequency of appearances at the microphone.

Thus for many share owners the 1962 annual meeting raised serious questions for the future, as discussed further on page 7.

Discussing the Directors, Mr. Cordiner emphasized the broad range of experience which the Board's members bring to bear on the Company's problems. "The Directors who are here on the platform," he noted, "represent the share owners in electing the officers and holding them accountable for the overall conduct and results of the Company's operations."

Mr. Cordiner pointed out that of the 16 Directors only three are employees of the Company. The other Directors are "outstanding leaders in business, finance, or education, as well as civic affairs. Together they constitute one of the strongest, most independent and representative boards to be found in American industry today. Their widely diversified experience offers continuing assurance that your investment in General Electric will be responsibly and competently managed."

The share owners joined in a round of applause for four Directors elected since the 1961 meeting: Directors Harrison, LaPierre, Phillippe and Wriston.

They also saluted four former Directors who had given long and distinguished service to General Electric. Mr. Cordiner explained that Robert W. Woodruff, "an outstanding and dedicated Director since 1948," was not standing for re-election under the age rule originally established by the Board in 1956. Also, Directors Donald K. David, Henry Ford II and Sidney J. Weinberg—who had long been directors of Ford Motor Company and were associated with Ford in other capacities—did not consider it appropriate to continue as Directors of General Electric in view of Ford's recent acquisition of the Philco Corporation, a major competitor of General Electric in appliances and other fields.

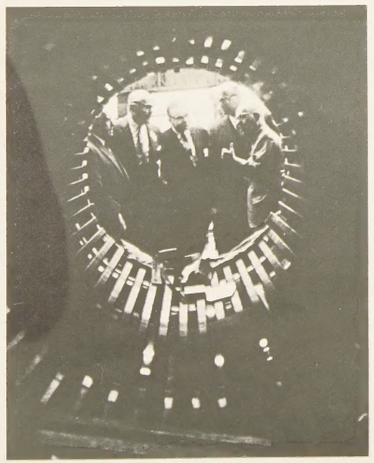
Other highlights of the meeting included:

► a "warm neighborly greeting" from Schenectady people. This greeting included a resolution of welcome by the Schenectady County Board of Supervisors, a greeting of the Directors on arrival at the Schenectady airport by members of the Schenectady Community Committee, and placards of welcome displayed by local merchants and other citizens. Mr. Cordiner conveyed the gratitude of the Directors and management for these expressions of the community's interest and support.

► a tribute to General Electric people, expressed on behalf of the Board by Mr. Cordiner. He noted the Board's gratitude for the "encouraging support" of share owners and for retired employees' "warm, continuing interest in the Company you helped to build." Record 1961 sales and the favorable sales and profit trend continuing in the first quarter of 1962 were cited by the Chairman as evidence that "today's employees really showed their General Electric spirit in a time of great challenge." Mr. Cordiner concluded: "If General Electric is surging forward once again, and I think it is, that is because of the dedicated work and loyalty of so many fine people."

...an occasion for Directors to reinforce their

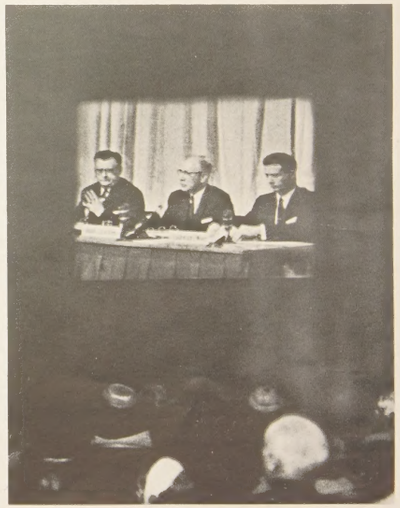
Schenectady people showed their interest in General Electric by a warm welcome of Directors at the airport. Above: D. Allen Fisher, Chairman of the Schenectady Community Committee, greets Mr. Cordiner. Helicopter in background, powered by General Electric T-58 turbojet engines, helped convey Directors to first stop at the Research Laboratory.



Work on turbine-generators was viewed by Directors during tour of facilities of the Large Steam Turbine-Generator Department. Seen through the center of a huge stator, Charles W. Elston, the Department's general manager, explains the work to Directors.

Visiting product exhibits, Directors Colt and Love show interest in a new product—a thermoelectric water cooler for executive office use, introduced by Commercial Equipment Department early this year.

President Gerald L. Phillippe announces Accent on Value program . . . to scene at nearby theater as overflow audience views the proceedings on closed-circuit television.



- Record percentage of share owners represented either in person or by proxy
- Share owner support on voting of shares exceeds 98%
- New Company-wide "Accent on Value" program previewed by share owners

share owners' meeting

General Electric's 1962 Annual Meeting, held April 25 in Schenectady, New York, received strong evidences of share owner support.

Near-record attendance at the meeting totaled 3,518, with share owners registering from 29 states, Canada, the District of Columbia, Puerto Rico and India.

A record percentage of shares voted was achieved when 86.1% of the Company's outstanding shares were voted in person or by proxy.

Another new record was in the number of share owners voting their shares—a total of 358,046 share owners. This was 79.5% of all of the Company's share owners of record.

Share owners upheld the recommendations of Directors and management in the voting of shares by percentages in excess of 98%.

This response was gratifying to the Company's Directors and managers, who have consistently sought to develop an annual meeting that is meaningful and helpful to the greatest number of share owners. The Company has also striven to provide opportunity for a full and free discussion of share owners' questions and comments.

The Directors and managers recognized the significance of the 1962 meeting through attendance by all sixteen members of the Board of Directors and by all of the Company's senior officers. In addition, the Directors previewed the tours and exhibits prepared for the share owners.

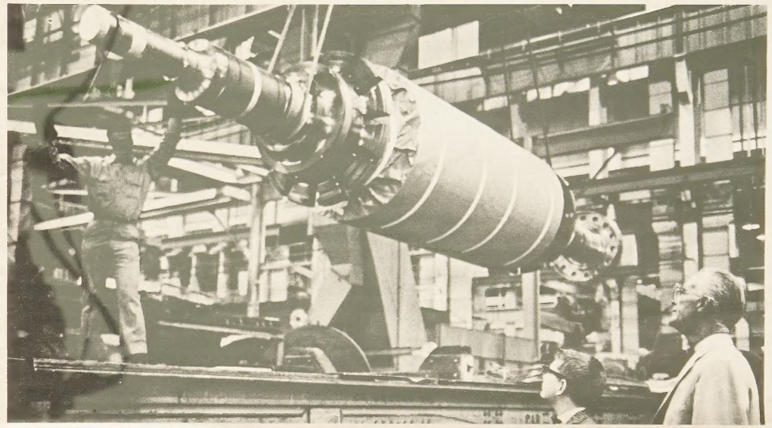
The business meeting was convened at 9:30 A.M., an hour earlier than previous Schenectady meetings. In his opening remarks Ralph J. Cordiner, Chairman of the Board, explained that this earlier hour had been chosen in order to allow time both for a full discussion with share owners and a full afternoon of special events for the approximately two-thirds of the share owners who had indicated on their reservation forms that they would like to participate in the tours and exhibits.

The tours arranged for the meeting provided share owners with a broad range of information and experience. Mr. Cordiner commented that the tours of Schenectady laboratory and production facilities gave the share owners "an opportunity to see what they own, and to become acquainted with the outstanding work that is done here."

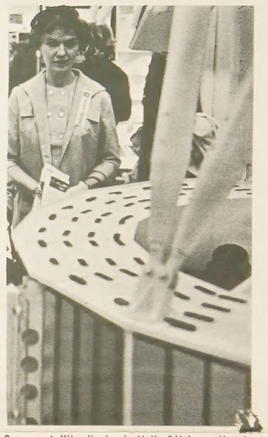
The return to Schenectady as the site for the 1962 meeting, after previous meetings in Cleveland, Chicago, and Syracuse, was discussed by the Chairman. "General Electric now has so many share owners—there are more than 450,000 owners of record all over the world," Mr. Cordiner pointed out, "that it has been advisable to hold some meetings in other states, so that the share owners in these other areas can have a convenient opportunity to see the Directors and Officers of the Company and hear the reports and discussions at first-hand."

A special event for share owners attending the 1962 meeting was the launching of the new "Accent on Value" program. Share owners were given the first public look at this Company-wide effort whose objective, in the words of President Gerald L. Phillippe, is "to give every customer—the housewife, the industrial customer, the electric utility, the government purchasing agent—**every** customer of the General Electric Company the very best values, in every way, that he can obtain anywhere." The full text of President Phillippe's report on General Electric values is included on pages 4 through 6.

To support the Accent on Value program, share owners were invited to visit a building full of exhibits and displays demonstrating [illegible] in products and services offered by more than 60 different General Electric departments. This "Hall of Values" was toured by an estimated 2,900 share owners. In addition its exhibits were viewed by a total of 4,500 employees and their families.



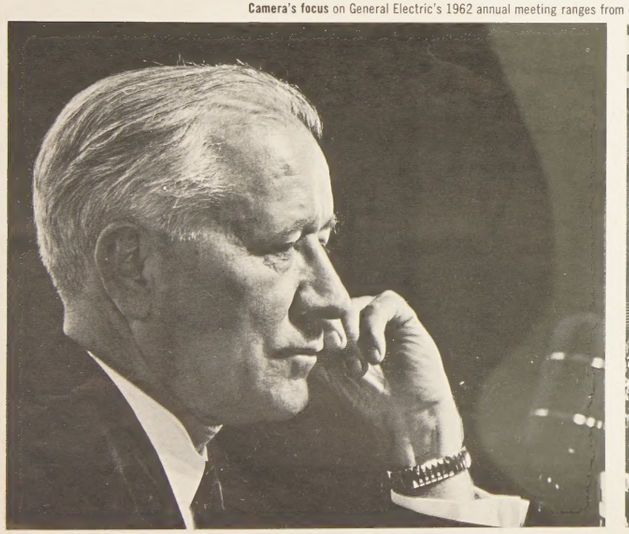
On turbine tour offered to share owners before and after the business meeting, young Robert Gehringer and his father, of Syracuse, N. Y., see employees hoist large generator rotor. It was Robert's first annual meeting.



Space satellite display in Hall of Values attracts attention of Mrs. Edward Walsh, of Scotia, N. Y.

acquaintance with Schenectady people and products

Camera's focus on General Electric's 1962 annual meeting ranges from close-up of Ralph J. Cordiner's respectful attention in conducting the meeting . . . to panoramic view as



All sixteen Directors were present at the annual meeting and at the annual organization meeting of the Board afterwards.
Standing: John E. Lawrence, Edwin D. Harrison, Thomas B. McCabe, Neil H. McElroy, Henry S. Morgan, George H. Love, Walter B. Wriston, Frederick L. Hovde
Seated: Gilbert W. Humphrey, S. Sloan Colt, Robert T. Stevens, Gerald L. Phillippe, Ralph J. Cordiner, Cramer W. LaPierre, Charles D. Dickey, George G. Montgomery

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Report of the Annual Meeting 1962

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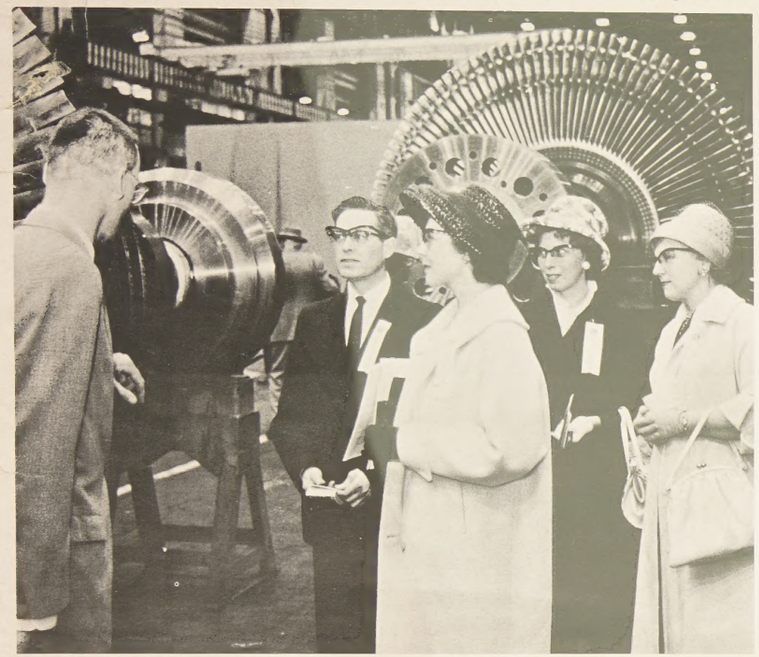

Progress toward keeping electricity 'today's biggest bargain' is reviewed by share owners in tour of turbine-generator facilities. Guide Robert Fearing, turbine engineer, explains work on more efficient power makers.

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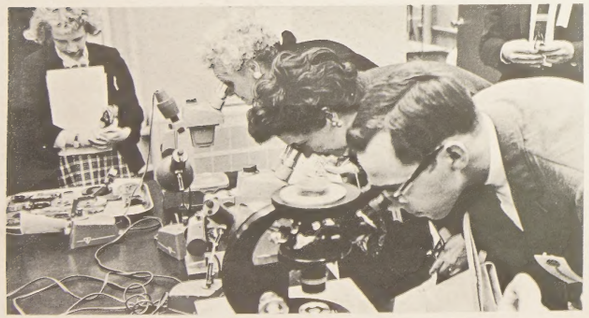
ACCENT ON VALUE

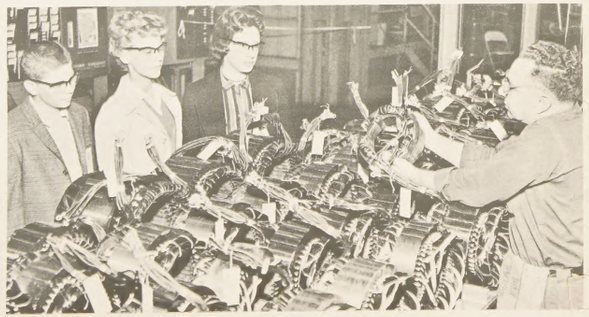
Tours give share owners and Directors opportunity to meet General Electric people engaged in creating better values for customers

Directors view Research Laboratory: Scientist Anthony J. Nerad explains hypersonics project aiming at new knowledge about materials for space exploration.

Superconductivity, promising long-term advances in power transmission, is discussed with Directors.



New alloys for improved products is one aim of work in new Materials and Processes Laboratory. Laboratory's microscopes enable share owners to view studies of metals' crystalline structure.



Attention to high-quality manufacturing in production of small a-c motors is the topic of discussion for Joe Dagostino and visiting share owners.

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GENERAL ELECTRIC'S 70th ANNUAL MEETING, like its first, was held in Schenectady, N. Y. At the 1893 meeting, five share owners attended and proxies were returned by seven. At the 1962 meeting, attendance totaled 3,518, with 358,046 share owners voting their shares.

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